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SPECIAL REPORT

SAIONJI-HARADA MEMOIRS

PART IX

"NORTH CHINA FIASCO"

98-GHQ 3-3.9

30 Oct - 25 Dec 1935

Vol III

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DOD Dir. 5200.9, Sept. 27, 1958
NCWN by _____ date 10-25-69

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Angus V. Rutledge

ANGUS V. RUTLEDGE
Major, Field Artillery
CIS, GHQ, FEC

Saionji - Harada Memoirs

Chapter 186
(30 October 1935)

Conspiring Reservists

Translated by T/Sgt. Shigeo Fukuyama

On the morning of the 15th just before I left for Okitsu, I went to see the Premier. He told me: "The second public statement of the Cabinet was presented to the Navy, and it quickly gave it assent, but when it was presented to the Army, it attacked the theory. The Cabinet wanted to comment on the theory but avoided it for the time being. Right up to the present time, the Government has had secret discussions with Professor SHIMIZU, Cho and has decided upon the drafts; however, purely by chance, the War Minister had summoned Professor SHIMIZU to his official residence on the 14th and questioned him on the public statement. SHIMIZU told the War Minister: 'If there ever should be a denial of the state corporation theory, the administration of the country would come to a standstill. Treaties between countries could not be formulated in accordance with international law.' The Army became alarmed. It did not make any drafts that would deny the state corporation theory, but instead it made a draft whereby the Cabinet would be able to make some sort of a compromise and returned the statement." The Premier also said: "The Reservists will probably argue against this second public statement when it comes out also."

I went to Okitsu on the 15th and gave a detailed report to SAIONJI. He merely listened and did not say anything special on the subject. However, SAIONJI said: "If they argue over a point like this, the prestige of

the Army will be lowered and the people will tire of it, but the Government would suffer in the same way. We must sympathize with the Government's predicament in leading up to that situation; therefore, it is necessary to build up an atmosphere of sympathy toward the Government's predicament."

I met former Premier SAITO on the 18th and told him that SAIONJI had said: "We must sympathize with the Government's predicament and maintain an atmosphere of trust. Therefore, I believe that it is necessary to talk to the people going in and out of your place with this thought in mind." SAITO understood perfectly and said: "I am in complete agreement...."

Prince HIGASHIKUNI came up to Tokyo and telephoned me, telling me to come over. I went to see him and he told me: "Some time ago, YAMAOKA, the Head of the Intendance Department, accompanied General ABE on a military inspection. At that time, he told my Aide, Major General MATSUMURA: 'I would like to have Prince KAN-IN resign as the Chief of the General Staff as soon as possible. He does not have any sympathy toward ARAKI and MAZAKI. These two are looked upon as true crusaders for justice in military circles; therefore, there must be sympathy toward them', and went home. It is a queer story. I believe that from our standpoint as Princes, it is a bad thing to come out and say whether or not we sympathyze with a certain individual." The Prince continued: "Moreover, War Minister KAWASHIMA is coming over tomorrow on some business. I will tell you about it some time in the future." I told the Prince: "In respect to the relationship between individuals, even though you may

receive a great amount of sympathy from certain people, naturally from your standpoint as a Prince it would be bad for you to show any favoritism. However, there is a necessity for you to distinguish between right from wrong. I believe that this is your main duty to our country."

I met the Premier in the afternoon and he told me: "War Minister KAWASHIMA was saying: 'It appears that the regular Army men will settle down after the issuance of the public statement by the Cabinet. It is my intention to suppress the Reservists, but I do not know whether they will actually accept my directions. I am greatly worried over this.' The War Minister seemed worried over this. If he should resign and someone like HAYASHI or ARAKI should succeed him, it would be bad. I would like in some way, to make WATANABE take over. As the Premier, I intend to suppress anything said about personalities. The question of national polity, that is, the Emperor-Organ theory, is not enough to overthrow the Cabinet. And to make this the basis of an attack upon the Cabinet is bad; however, the Army seems to be saying that this action would be justified if it were due to the question of the budget or of national defense. I believe that this budget will be the cause of great worry, but as soon as the budget has been settled, there will be a general election; therefore, I would like to see the present Cabinet continue until then. I would like to have Prince KAN-IN remain as the Chief of the General Staff and stay right here in Tokyo as much as possible. The reason for that is that every time the Prince leaves Tokyo the Army is sure to start causing

trouble." The Premier also seemed to be worried.

SAIONJI had also said: "In times like these, it would be better if Prince KAN-IN stayed close to the Emperor and did not leave Tokyo." I told the Premier that I had expressed the same general idea to KIDO and to the intendant to Prince KAN-IN.

On the morning of the 19th, I phoned Vice-Chief of the General Staff SUGIYAMA. He told me: "TERAUCHI is best fitted for the job. He is even better than WATANABE. However, be it WATANABE or TERAUCHI, there is a time for them to take over, and at present the time is not ripe. In any event, when the Cabinet changes, we must take prevailing circumstances into consideration and then put them in." He added: "It is best to have Prince KAN-IN remain as the Chief of the General Staff."

Later when I met the Minister of Home Affairs, he was also worried about the Army; nevertheless, he said: "However, the present commanding officer, IWASA, is very good", and seemed to be well satisfied.

In a telephone conversation with Prince HIGASHIKUNI he told me: "The War Minister came over yesterday and told me: 'This is strictly confidential, but I may ask you to return to Tokyo on the 12th.' This matter is of the utmost secrecy, but I just wanted to let you know." The Prince had asked the War Minister: "By the way, how is the Emperor-Organ theory coming along?" The War Minister answered: "I am greatly worried over it." The Prince said: "The fact that the Reservists have formed a conspiracy and are carrying out political plots and acting blindly on their decisions is a thing that we

cannot permit. If a thing like that is successful just once, there's no telling what they might do next. It is a very troublesome problem." The War Minister said: "I agree with you wholeheartedly," and withdrew. I told the Premier the above story.

I met the Premier on the 22nd and he said: "The Cabinet was successfully adjourned. Finance Minister TAKAHASHI asked for the cooperation of each Minister in regard to the budget, and the Deliberation Council approved the bill on regional finance. Moreover, the War and Navy Ministers attacked the Emperor-Organ theory and expressed a desire for the establishment of a special organ to clarify the national polity. The Education Ministry is thinking of setting up an organ for the reinvestigation of the national text books."

I met KONOYE in the afternoon and he told me: "NAKAJIMA, Chikuhei, MAYEDA, Yonezo and KAWASAKI, Takukichi came over saying they wanted to meet me. I wonder if these three are trying to find an opportunity of collaborating with each other."

On the morning of the 22nd, the usual meeting of the Asameshi-kai was held. Everyone was present and IWAKURA talked about the parliamentary Vice-Minister of War and about the relationship between OKAWA and UGAKI. In the afternoon, I met the Foreign Minister and he told me: "There have been requests coming in from Great Britain to have the Disarmament Conference carried out on a very small scale. I am deliberating on this suggestion."

On my way to Okitsu on the 23rd, I met Major General SAWADA, the Brigade Commander in Mishima. He had

long been the Chief of Staff of the Imperial Guards Division under Prince ASAKA and was on very intimate terms with the Prince. SAWADA lamented: "According to the Prince, when AIZAWA came up to Tokyo, he said to the Prince: 'I would like you to introduce me to General UGAKI', but the Prince refused. It appears that if the introduction had been arranged, he intended to assassinate UGAKI. I believe that even the death of NAGATA was the result of carrying out November Incident too far. It was a very regrettable thing, indeed." I made my report to SAIONJI in Okitsu and returned home.

I met the Premier on the 28th and he told me: "We intend to abolish all existing committees in the Cabinet meeting tomorrow. We intend to put all matters pertaining to civil administration before the National Deliberation Council. Although there have been questions coming in regarding the clarification of national polity from the War and Navy Ministers, I would like to set up something within the circles of the Education Ministry first. Furthermore, the attacks by UGAKI and MINAMI have recently become stronger. Morevoer, there are rumors that I have even declared that I wish to resign from the Premiership. I have cautioned the War Minister that all matters pertaining to the North China Problem must be handled by the Foreign Ministry, and it appears that both the leaders and the subordinates will act by establishing some sort of liaison. The Army intends to handle the Lwanchwan Incident by negotiating with SHANG CHEN."

I also met the Chief of the Metropolitan Police Board at the Premier's official residence. He told me:

Conspiring Reservists

"There is a lot of comment going on regarding the clarification of the national polity, but it's probably nothing to worry about; however, the 36 Club is having frequent private discussions. Realizing that it would be bad to have the Imperial Reservists Association against them, they have made connections with its influential members, and because the documentary publications would be most effective, they have also joined hands with the men in active service and are working hard on this problem of the clarification of national polity. There is a tendency among them even to high-pressure the War Minister into resigning, and at the same time they have employed delaying tactics with the objective of removing President SUZUKI. They have been calling in all their members from the various areas and sending them home after giving them a short training course. It also appears that they have been trying to assemble a seven-man committee from the Tokyo chapters of the Imperial Reservists Association to start an anti-liberalism movement. Taking this as an opportunity of wedging itself into the next Cabinet, the Seiyukai has been attacking the Emperor-Organ theory."

Later I met the Foreign Minister and asked him about the situation in North China. It appears that the Army has started an autonomy movement and has hopes of setting up self-government at least in the areas where hostilities have ceased. It is a fact that the Japanese will have something to do with this, and five or six Japanese and one Korean have already been released. According to a report from the Navy, five or six have returned to their former places. The military group will

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not move their troops in the open, but they have been working under cover. The trouble is that there is no control within the Army; therefore, the actual facts are not known.

I met the Chief of the Asia Bureau and asked him about this. He told me: "There was a secret report from the naval attache in Peiping that the five Japanese and one Korean engaged in the autonomy movement in Kagawa Prefecture were connected with the Tientsin Special Army Organ in Manchukuo. Also that the attache in Peiping had said that this would not become a matter of great importance."

The next time I met the Foreign Minister, it was just after Ambassador CHIANG Tsuc-pin had come to say good-bye to him. In this meeting, they did not touch upon the problem of North China. The Foreign Minister told me: "There have been quite a few discrepancies between what the Chinese Government directly tells Ambassador ARIYOSHI and what Ambassador CHIANG says to me, so I cautioned CHIANG about this. Moreover, the Cabinet has decided to accept the invitation to the Disarmament Conference and will send Admiral NAGANO and Ambassador NAGAI to this Conference. This is highly secret, but as it is now, we cannot afford to move any of the Ambassadors stationed in Europe. We will keep Ambassador MATSUDAIRA as our ace in the hole till the very last and, because a good Anglo-Japanese relationship is most important, in accordance with Ambassador MATSUDAIRA's viewpoint, it is our desire to find an opportunity to join hands with Great Britain through our relationship with China. Therefore, because it would

be bad if Japan and China were opposing each other, it is our intention to better this relationship and then approach Britain."

I reported the general situation to SAIONJI on the 29th. I also told him that the Premier was worried over trying to find some way of honoring Admiral KATO for his services, upon the occasion of his resignation.

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Chapter 187
(5 November 1935)

Anglo-Chinese Relations

Translated by T/Sgt. Shigeo Tukuyama

I saw the Premier on the 30th and told him about my trip to Okitsu. I discussed with him the matter of honoring Admiral KATO for his service to the country. He told me: "The Government will consider this matter and I would also like to do something for him myself." He also told me: "The personnel affairs of the Navy are, in general, being handled very well. The Commandant and the Chief of the Naval Staff in Yokosuka are capable men. MAZAKI has gone to Ominato and the present Chief of the Naval Staff there, formerly the attache to the previous Chief, Prince FUSHIMI, has been keeping an eye on him. There is nothing to worry about concerning the Navy." He added: "I have been telling the War Minister over and over again: 'All matters concerning North China must be conducted through diplomatic channels.' Moreover, I intend to have the Education Ministry set up a committee on educational reform and to put this up for consideration before the National Deliberation Council on the 5th of November. Naturally, I intend to call a meeting of the Cabinet on the 4th to decide upon this."

I met the Premier again on the 2nd of November. I told him: "Looking at the secret propaganda emanating from Army circles, it seems that the Communistic factions are acting with the intention of splitting the Army in two. There is reason to believe that they are acting in the guise of rightists." The Premier also seemed cautious on this point.

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A certain person came to see me on the morning of the 2nd and told me: "Admiral KOBAYASHI, Admiral KATO, Kanji and Admiral YAMAMOTO were unanimous in saying: 'We heard that former Premier SAITO has accepted bribes on the rayon problem.'" I told him: "Such a thing is absolutely false. There is no reason for Admiral KOBAYASHI to say such things." However, he gave me a suspicious look.

I had dinner at the Tokyo Club and purely by chance I met Admiral NOMURA and Admiral KOBAYASHI. I told KOBAYASHI about the story I had heard this morning. He told me: "There is absolutely no truth in it." Moreover, he added: "A few days ago, Rear Admiral KOBAYASHI, Shozaburo came to see me and I asked him: 'Haven't you been having very close relationships with Governor-General UGAKI lately?' He answered: 'Not especially, but I do see him often.' Moreover, he told me: ' I heard this from Baron HIRANUMA. It seems that he went over to see SAIONJI and expressed his political views to him. SAIONJI listened quietly and then told HIRANUMA: 'I understand your viewpoint perfectly; however, I am against carrying out your views at present. I believe that you will not be called to the political front for the time being.' HIRANUMA told him: 'I am not anticipating that any political power will come to me.'" As for the movement within the Navy, Admiral KOBAYASHI agreed with us, and said that the Navy had been handled very well and was very well satisfied on that point.

Using the opportunity of the arrival of ONO, Head of the Kwantung Province Bureau in Tokyo on the 4th, interested persons assembled at the Tokyo Club for

dinner, and we asked him various questions regarding the situation in Manchukuo. In general we got a favorable report from OMO concerning the abolition of extra territorial jurisdiction, the matter of taxation rights and the attacks on the racketeers under Army patronage.

I went to see UGAKI, the Governor-General of Korea about 2:30. It seems that he has no intention of resigning from his post at the present time. He told me about the time he met Count KIYOURA, and said that the Count had told him: "If you resign now, it would appear that you had resigned for want of political power. As an individual, you have gained fame through your services and it may appear that the present is the opportune time for you to resign; however, it would be bad if the people were to start making various conjectures regarding your resignation, so I believe that it would be better if you did not resign at the present time." In regard to matters pertaining to the Army, UGAKI said: "If things are done with determination, ultimate success is inevitable."

On my way home, I dropped in on the Foreign Minister at the Foreign Ministry and asked him about various developments. There wasn't anything of great importance. He merely told me: "The perspective in China is a little hard to grasp at the present time." He also said: "In the attempted assassination of WANG Ching-wei, there were among the plotters two members of the Communist party. I have heard that the motive behind this action was the problem of internal administration." The Foreign Minister concluded: "The delegate-plenipotentiary to the Disarmament Conference has been decided upon, and although

further developments are not known at the present time, in general, there is nothing of great importance right now."

I was invited by Marquis HOSOKAWA to Hoshigaoka on the night of the 4th. Vice-Minister of War FURUSHO and Ambassador MUSHAKOJI have been intimate friends for a long time, and FURUSHO had expressed a desire to see MUSHAKOJI again, so HOSOKAWA had invited them, KONOYE, KIDO, Mitsubishi's YAMAMURO, and Minister of Home Affairs GOTO to his place. However, on the morning of the 4th, HOSOKAWA had telephoned me saying: "I have suddenly caught a cold and cannot be present, so please take my place." HOSOKAWA had told me before: "FURUSHO is a very understanding man and you can talk to him about anything, so take your time and talk to him."

I went to Hoshigaoka about six that night. The party gradually assembled and we talked until about 11:00 o'clock. I had known Vice-Minister FURUSHO from the time I was Secretary to the Premier and he was the Head of the Military Affairs Section, and we talked about varicus things. FURUSHO told me: "It has already been three or four months since I took the office of Vice-Minister of War, but I have yet to do anything that my position calls for. I have been kept busy from morning till night on the national polity clarification problem of the Reservists. Among the Reservists there are many who were forced to retire from the regular Army and who bear grudges because of that. They are older than I am, and there are many who were my senior officers during our active service days; consequently, if I do something that does not agree with their reason-

ing, they call me a traitor and a rebel. It is indeed a troublesome state of affairs." He added: "In regard to Russia, th re is no thought whatever of waging war against her. It is a bad thing for the Army to take matters into their own hands and do as they please. Moreover, I will absolutely oppose any war that does not fulfil the people's duty to their sovereign." We talked a little more and I found that he was a very understanding man and a sincere one. I was very much relieved when we parted.

I met the Premier on the afternoon of the 6th and he told me: "In the Cabinet meeting two days ago, we discussed the instructions for and appointments to the Disarmament Conference, the policy regarding the currency system in Manchukuo, the setting up of an educational reform committee, and the abolition of the 2nd and 3rd sections of the former Deliberation Council. In general, there wasn't anything of great importance. I am going on the Grand Maneuvers on the night of the 7th and on my way home on the 16th I would like to go to Okitsu and see SAIONJI."

Later I met the Foreign Minister and we talked about conditions in China. He told me: "Just before Leith ROSS left for China, we talked about the circumstances concerning the reform in China from a purely theoretical standpoint. I told him: 'As I have stated before, after you have looked over the situation in China, if you should return once again to Japan, I will be able to talk directly to you. However, if you should return directly to Great Britain, I would like to have you drop in on Ambassador ARIYOSHI in Shanghai and give

him your views.' In regard to the present problem of silver in China, there has long been opposition within the Chinese Government, and the people in Shanghai are greatly worried over this. Leith ROSS said: 'I would like to have a reform that would cause the least possible disturbance.' Leith ROSS and the British Ambassador to China went to see ARIYOSHI on the 28th and told him: 'We would like to loan an additional ten million pounds to China. This loan would come between the first and second Loan, in which China has agreed to put up her revenues receivable as security. We would like to have Japan participate in this new loan also.'"

Foreign Minister HIROTA continued: "Last Saturday, the Chinese came to see me, without the knowledge of the British, and confided: 'Our financial circles have become very worried and we would like to borrow from Great Britain.' I asked the financiers of Japan for their viewpoint and the leading financiers told me: 'It would be best to continue as we have been doing and to give them our unlimited moral support.' The Chinese Finance Minister, KUNG, has told me: 'I have already talked to Japan regarding this matter. This loan has not been negotiated with Britain yet and neither has it been promised by her.' Moreover, Ambassador ARIYOSHI persistently asked Leith ROSS: 'Why did you force them to pass this nationalization law? How did the talk of this loan become known to the outside world?' Leith ROSS replied: 'The loan is just as China has said; it has been neither carried out nor promised.' ARIYOSHI asked: 'Then have you extended credit to them?' It seems that Leith ROSS had been taken advantage of by China, and that China had forced

Britain into an inescapable position. As for Leith ROSS, it may be thought that because of the fact that the British merchants in China were sorely pressed, he had set up credit to a certain degree. He had said: 'It would cause them financial embarrassment if they had to return the loan in silver, so I would like to make it so that they would be able to repay the loan in paper money. Of course we have no intention of receiving any excessive profits that may accrue.' The newspaper men in Shanghai and Tokyo have been persistently saying: 'The amount of silver in the Shanghai area is worth approximately 350,000,000 yuan. If you take this to the Central Bank of China and exchange it for gold, a gain of approximately 60% will be realized; however, if this is purchased with currency, it will increase about 200,000,000 yuan. We believe that by utilizing this silver, a sufficient profit will be realized so that, there will be no necessity of negotiating for a loan.' I believe that the British Government will never do anything drastic."

The Foreign Minister stated further: "According to a telegram from China, Finance Minister KUNG told Ambassador ARIYOSHI: 'When the influential financiers of China met Finance Minister TAKAHASHI a few days ago, they received a hint to the effect that: "China should consolidate her banks and make the control of the Central Bank effective. It would be bad if she let the foreign banks issue paper money, China must do exactly what Japan did in Manchukuo." However, this matter has been stimulated to the present crisis, and it may well be thought of as China's doings. China has been saying that she will set up a committee and include foreigners

in this committee." With this, Foreign Minister HIROTA and I parted.

On my way home, I met Ambassador MATSUDAIRA at the Foreign Ministry. He told me: "I have something to tell you. Let's go to another room." I followed him and he told me: "The activities of the Head of the Information Department of the Foreign Ministry and the leading members thereof are very unfavorable. Especially in regard to Great Britain, although the Foreign Minister may understand what the members of the Ministry are saying in the newspapers, they have taken a very unfavorable attitude, and without even ascertaining the actual facts first, they have expressed disfavor toward Britain. Now Britain has great interests in China, and it is only natural for the British people to try to maintain their country's interests. Whereas this problem could be solved with a cooperative spirit by having Great Britain utilize her interests in China and Japan collaborate with her, the Foreign Ministry seems to be giving the people the impression that they are saying such things as: 'Only Japan will do' or: 'We will not stand for Britain doing this and that' or: 'Britain is acting without first consulting Japan!, without first ascertaining the actual facts. When the newspapers start saying this and that about the situation, the Foreign Ministry should remain calm and say: 'The true facts have not yet been ascertained. Surely a thing like that is not true.' The fact that it agrees with them, taking a sympathetic attitude, is, I believe, a very unfavorable thing. The argument of the newspapers is expressive of a small country's attitude. I would like to see them take an attitude of

a confident great power."

I was of the same opinion as MATSUDAIRA, so we talked about various other things and parted.

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Chapter 188
(28 November 1935)

North China's "Autonomy"

Translated by T/Sgt. Shigeo Fukuyama

I went to Okitsu on the 7th and made a general report to SAIONJI. I told him that Admiral KOBAYASHI had told me about Baron HIRANUMA telling Rear Admiral KOBAYASHI, Shozaburo of Chinkai Bay about his talk with SAIONJI; and that after SAIONJI had listened attentively to HIRANUMA's views regarding the political situation, he had quietly told him: "I understand your views perfectly. However I do not wish to place you at the political front to shoulder the responsibilities of the present political situation." I asked SAIONJI about this. He denied it, saying: "There is no truth in that story." We talked about the general political situation and then I returned home.

I met the Foreign Minister on the 11th and he told me: "In regard to the WANG Ching-wei Incident, we are demanding that the Chinese Government make an investigation to find the criminals. When the National Economic Council met to discuss the question of the currency system, CHIANG Kai-shek was not present. Only T.V. SOONG, SUN Fo, and Finance Minister KUNG were present; they made the decision themselves and the resulting situation appears to be very difficult. Because of the fact that Leith ROSS had applied European ideas to this council meeting with the result that impractical theories were adopted, this problem has arisen and North China faces a financial crisis. In the end, it will turn out that China herself has made a mistake."

I met Finance Minister TAKAHASHI the next day. He

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told me very regretfully: "The recent statements made by our garrison forces in North China will tend to isolate Japan uselessly from the rest of the world. I am greatly worried over this." He added: "Furthermore, the British, especially in the Far East, are greatly worried. The recent nationalization of silver seems to have been brought about by the Shanghai-Hongkong Bank, and they intend to make the payments for the silver purchased on the stock markets in British pounds. It seems that they intend to make a profit by using inconvertible paper-money; however, there are also indications that Leith ROSS may have been deceived. When the Chinese bankers came to see me, I told them: 'It would be better for China to give up her plans for a loan'; I explained to them that they should rehabilitate themselves through their own efforts. I also told them: 'The foreign banks come under extraterritorial jurisdiction and thus are outside of China's jurisdiction. They must be placed under the jurisdiction of the Chinese government; however, China must first be united and stabilized from a political standpoint.' However, the Chinese bankers told me: 'It would be all right if the more influential men put aside their self-interest and put their entire efforts into it.' They were very persistent in telling me this."

According to Finance Minister TAKAHASHI: "The Nanking Government is saying: 'This solution of the currency problem was worked out upon the recommendation of Finance Minister TAKAHASHI.' However, I had absolutely nothing to do with it. The same holds true of KODAMA, the President of the Yokohama Specie Bank." Therefore I had

North China's "Autonomy"

KODAMA come to my house on the afternoon of the 12th along with KIDO, MATSUDAIRA and Vice-Minister SHIGEMITSU; we asked him about the problem of the currency system and about the nationalization of silver in China.

I had intended to see SAIONJI on the 14th, but I caught a cold so I asked Marquis MATSUDAIRA to make the report for me. I went to Shizuura for a rest from the 13th to the 17th. I returned on the 18th and went to see the Premier. There had been many disturbing stories circulating before the Grand Maneuvers. However, the Maneuvers were carried out successfully and the Premier and the Cabinet members had returned home safely. The Premier told me: "There have been no particular changes made." During the Maneuvers, the nationalization of silver in China had been decreed. The Japanese Army in China had made contradictory statements in regard to this action and the situation was quite confused. However, the Premier and the War Minister had talked about this during the Maneuvers, and the War Minister had often dispatched orders to the Army in China.

I went to see the Vice-Minister of Foreign Affairs on the 19th. On the 18th, Charge d'Affaires TING had come to see Vice-Minister SHIGEMITSU with a message from Ambassador CHIANG to Foreign Minister HIROTA. The message stated: "It is the profound desire of the Nanking Government to have a sound and sincere promotion of the negotiations for the improvement of Sino-Japanese relations on the basis of an exchange of views between Foreign Minister HIROTA and the Embassy. I would appreciate your views regarding the procedure for carrying out this desire."

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North China's "Autonomy"

The behavior of the Japanese Army in North China will prove to be a great obstacle to this negotiation, and at the same time it will conflict with the basic spirit of the three points of the proposals to Ambassador CHIANG. As before it will call for grave reconsideration, and in particular it will demand more attention to the anti-Japanese movements that are appearing in the northern and southern parts of China.

In regard to the fact that the basis for improving Sino-Japanese relations lies in the three principles expounded by Foreign Minister HIROTA to Ambassador CHIANG, and to the fact that there must be adequate control in the Chinese Government, Vice-Minister SHIGEMITSU told TING: "Of course there is no objection whatever to expending every effort toward the improvement of Sino-Japanese relations. There can also be no objection to negotiations between the responsible persons in both Nanking and Tokyo." SHIGEMITSU added: "In regard to anything that might prove to be an obstacle in the improvement of Sino-Japanese relations, both parties should be mutually careful to remove this obstacle. This is only natural, and although the Japanese have no objections to her redoubling her efforts, I would like to caution China, especially regarding her activities in North China. The first point is that in view of North China's past history, the Chinese there may have distinct political and economic ambitions. You say that there is a plot of Japan behind this. Although this may be true to some extent, these outside moves cannot possibly be the principal means by which these people may realize their ambitions. The general trend

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may be decided by the Chinese people's own intentions. If this natural demand is answered only by oppression, there is a danger that it may end in unforeseen results; therefore, it is necessary that it be properly guided through natural courses. In the second place, North China and Manchukuo have long bordered on each other. Manchukuo is the nerve center of Japan and accordingly Japan has placed garrison troops near the border. However, China has not given actual recognition to the Manchukuo Government. For North China to meet her development properly, she must strive for the harmonious rapprochement of Japan, China and Manchukuo. Otherwise, Japan's interests in North China will be injured, turmoil will increase, and there surely will not be an impetus to the maintenance of friendly relations. The above two points absolutely demand the attention of the Nanking Government." Charge d' Affaires TING answered: "I will report this to the Nanking Government." Reiterating the fact that the Nanking Government must be sincere in its efforts to improve Sino-Japanese relations, he strongly denied the newspaper reports that the Nanking Government was assembling troops on the Tungkwan-Hopei Line in an effort to oppose Japan." Moreover, SHIGEMITSU added: "I would like to have the Army make an autonomous statement today. I would like to send the Kwantung Army into Shanhaikwan and Hopei to put a scare into them, and to have the Army make an autonomous statement as soon as possible. I would like to have everything done the way the Army wants it before the Emperor returns. There are even stories to the fact that the War Minister should be stationed in Kyoto."

North China's "Autonomy"

Naval Attache HONDA had gone to see the actual conditions in China and had returned home very angry. He made his report to the Chief of the Naval General Staff, Prince FUSHIMI. The Navy was absolutely against the way the Army was conducting itself in China. Although the Army had said to the Navy: "Send out a fleet to Tsingtao, Cheefoo, and Tientsin,"the Navy had refused to do so.

I met the Premier on the 19th and he told me: "The War Minister has sent an order to China not to move the troops about recklessly. It appears that the General Staff is more or less being led around by the Kwantung Army. Inspections have been sent to the Nanking Government reading: 'Abiding by the situation, be careful not to aggravate North China needlessly', and to North China reading: 'Be careful not to aggravate the Nanking Government needlessly.' In the Cabinet meeting, Foreign Minister HIROTA has made a general explanation, and orders have been sent out stating that unless there is an Imperial command, troops are not to be moved beyond the Great Wall of China; however, the perspective is rather hard to grasp at the present time. Nevertheless, China has been told: 'Japan cannot give financial support at the present time.'"

I met the Foreign Minister the same day and he said to me: "North China has no intention of issuing a declaration of autonomy nor of making herself independent of the Chinese Central Government. There is no fear that it will sever relations with the Nanking Government; however, the Nanking Government has been secretly telling our Foreign Ministry: 'An opportunity will present itself to issue the declaration in North China; therefore, wait

until the 5th National Kuomintang Congress has adjourned, and then issue this declaration.' Regarding this, it seems that the Army is demanding the speedy issuance of such a declaration. The Foreign Ministry has sent a message to Ambassador ARIYOSHI reading: 'Make sure that the Chinese Army will not go northward and make them act as Japan says in accordance with the three Great Principles.' The first of these principles is to have China rely upon Japan and not upon Europe or America. The second; in order to adapt herself to the situation in North China, China must apply herself toward establishing better relations between Japan, China and Manchukuo. The third; cooperative defense against communistic movements. Roughly speaking these are the aims; however, China has been told to take action according to the second principle, that of adapting herself to the conditions in North China.

Looking at these developments, I would like to have the declaration in North China issued at such a time that it will not aggravate the Nanking Government; however, there is a question as to whether or not the Army in China will abide by the orders issued by the General Staff. Tarefore, the Navy and the Foreign Ministry have acted in unison from the start. The Army in China desires that troops be dispatched to Shanhaikwan and later to Shantung; however, although it has been told: 'You are not to dispatch troops south of Shanhaikwan; you are not to move troops about recklessly even within the areas where hostilities have ceased', it appears that it has the idea that anything is permissible in those areas. The Army has persistently said to the Navy: 'Send out your fleet.' However, it is the opinion of the Navy that it

cannot see the need for sending out the fleet and it has refused the Army's pleas. I have always believed that in the event that the troops are moved, it will be only after receiving an Imperial command. If the occasion arises calling for the dispatching of trocps, this will be decided by a meeting of the Cabinet and unless such action accords with national policy, the troops will not be sent cut."

When I met the Premier on the 23rd, he said to me: "The health of the President of the Privy Council, ICHIKI, has failed again, but there is no fear that he will resign. I believe that either IZAWA or Professor ODA, Man can be used to fill the vacancy in the Council; however, I believe that a man like IZAWA would be the better choice, for the purpose of checking the influence of Vice-President HIRANUMA's faction." The Premier added: "In the Cabinet meeting on the 22nd, there was a report on the meeting between Ambassador ARIYOSHI and CHIANG Kai-shek. At this meeting CHIANG Kai-shek told ARIYOSHI: 'If we exclude Japan, nothing can be accomplished, therefore we will certainly consult Japan first and then act. The matter of the loan will not be taken up without first consulting Japan. In regard to North China, because of the fact that the Chinese there have never understood the meaning of self-government, there cannot be any possibility of their being used as "puppets" by men like DOIHARA and TADA of the Japanese Army, who are trying to create confusion there; therefore, even if there is a certain amount of confusion in North China, we will not send our troops there.' However, our Army is saying: 'We cannot rely upon what CHIANG Kai-

shek says.' The basic policy in our negotiations with the Nanking Government is set forth by the Army, Navy and Foreign Ministries in their so-called three Great Principles of the Japanese Government's foreign policy toward China. The first is; rely upon Japan and not Europe and America. The second is; apply yourself toward having better relations between Japan, China and Manchukuo. The third is; cooperate in the defense against communistic movements. Regarding this, CHIANG Kai-shek appears to be holding the influential men in North China under his power. And although the Army has had a great portion of its budget taken away by the people in North China, it is better that way than to have the Army bring this money back to Japan." The Premier added with a smile: "Less damage was done this way than to have the Army distribute this money to the ronin and rightists in Japan." The Premier concluded: "The Cabinet meeting on the budget may be held on the 26th and I would like to see this handled in a business-like parley. All of the Cabinet members know that they cannot oppose Finance Minister TAKAHASHI, and it appears that they are trying to avoid a Cabinet meeting and to settle this in a practical way."

I met the Foreign Minister again on the 25th and he told me: "The North China problem will be eventually settled with a coordinated administration within the areas where hostilities have ceased. Although YIN Ju-Keng made a statement yesterday, he is very closely connected with CHIANG Kai-shek, and our Army may have been duped by him. There is no alternative but to look at this as something that a Chinese did. Although Am-

bassador ARIYOSHI has gone to Nanking, and is at present discussing negotiations regarding basic problems, the Nanking Government has said that it will not allow additional people to go up to North China. CHIANG Kai-shek has said: 'If there is a capable man already in North China, we will let him take over.' I believe that he has SUNG Che-yuan in mind. It all ends up that CHIANG Kai-shek is controlling everything." The Foreign Minister added: "This is a secret, but there was a telephone call from the Military Attache to the Japanese Embassy, ISOGAI, to the General Staff Headquarters, saying: 'Japan's actions in North China at the present time are very unwise. Her entire action is no secret to the Nanking Government, and she might as well talk directly to the Nanking Government.' The Foreign Ministry knows about this and as a result their talks with the Nanking Government have become easier."

I met the Premier on the 25th and he told me: "I believe that the military estimates in the budget will be in dispute; however, the matter should settle down in about three days. I have hopes of accomplishing something at least by Friday. I believe that when December comes there will be confusion over the problem of the clarification of national polity."

I talked to Vice-Minister SHIGEMITSU over the telephone on the morning of the 26th; he told me: "Charge d' Affaires TING came over again yesterday and told me: 'With the situation in North China as it is, the Nanking Government cannot proceed with the negotiations. I would like to have you do something about this.' I told him: 'Since there is no need to worry over the soldiers

in North China, let's proceed with the negotiations.'" SHIGEMITSU added: "American Charge d' Affaires NEVILLE came to see me and asked me: 'Is Japan contemplating the dispatching of troops?' I answered quite emphatically: 'Of course not.' NEVILLE seemed quite relieved and went home."

I had a talk with Railway Minister UCHIDA later. At that time the Head of the Accountant's Bureau, KAYA, was at his house and said: "Although the Navy has actually made its decision, it is keeping this from the public for the present. The Army and the Navy are asking for the support of the respective Special Accounts of both the Railway and the Communications Ministries, and although there is some hope of them settling down, the Head of the Military Affairs Section of the Army has taken a stubborn attitude and it has become necessary for the Finance Ministry to make the right gestures."

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Chapter 189
(6 December 1935)

A New Budget

Translated by T/Sgt. Shigeo Fukuyama

I went to Okitsu on the morning of the 26th and made a general report to SAIONJI, saying: "There may be somewhat of a dispute over the budget; however the Premier has said: 'In general, it looks hopeful.'" SAIONJI persistently worried over the situation in North China and he seemed quite concerned over the insight of the Foreign Minister. When I met Councillor WAKASUGI after he had returned from Peiping, he told me: "Even in the Tientsin Army, the troops were complaining: 'We'd like to see some action,' just before they were being replaced. I am greatly worried by various things that happen." When I spoke of this to SAIONJI, he said: "The Japanese Army is creating these incidents for the sole purpose of enhancing its ego. It seems that it is doing just this in North China, and I am worried over it. I wonder how it will be, if we let a thing like this continue."

Admiral KATO had been placed on reserve at the beginning of November. Thereafter, judging from further changes in the personnel of the Navy, in general they seem to have been carried out very smoothly. The general situation has settled down. On the other hand, judging from the great changes to be made starting from the beginning of next month, as announced by the Big Three of the Army after their meeting on the 21st, the situation is much better for the present Minister. Those who are for going all out may term these changes

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very lukewarm, but I am inclined to think that these changes will be very beneficial.

Just about this time there arose a dispute between the Finance Minister and the military group over a paltry 40,000,000 yen in the budget. According to the Head of the Accountant's Bureau, the Navy was already satisfied with its budget and had reached an agreement with the Finance Ministry; however, it had decided to tell the general public that it had not reached an agreement until such time as the Army and the Finance Minister got together. The Government had resigned itself to the fact that the Army would cause trouble over its budget. There were some who were worried over the fact that the Finance Minister had incited the military by speaking harshly to them in the Cabinet meeting on the 26th. However, it could be expected that the Army would reconsider and the budget be established because of the fact that the general policy of the Finance Minister was sound and he had a great many sympathizers among the intellectuals. Therefore, the various Ministries said that if necessary, they would give up a small part of their budgets and that everything would be all right, that is if the Army could be satisfied with about 150,000,000 yen.

On the 29th the Crown Prince was born and the general atmosphere was that of peace and quiet. And it appeared that the question of the budgets would be settled.

On the 29th, about 9:30 P.M., the Chief Cabinet Secretary phoned from the official residence of the

Premier and told me: "In general, the budget has been settled. That goes without saying concerning the Navy, and as for the Army, it has compromised. I just wanted to let you know." I immediately phoned SAIONJI and reported this to him. I received similar reports from the Home and Railway Ministers, and I was of the opinion that everything had been settled; however, I heard from the newspaper reporters about an hour later that the problem had not been settled. Nevertheless I was relieved because I had heard from the various Ministers. Then I received a telephone call from the Chief Cabinet Secretary about 1:00 o'clock in the morning telling me: "Just when I thought everything had been settled, the General Staff Headquarters made a vigorous protest and the budget is up in the air again. As a matter of fact, the War Minister is also greatly worried over this and the Head of the Intendance Bureau is also upset. At any rate the War Minister went to see the Chief of the General Staff, Prince KAN-IN, about 11:00 o'clock, and has not returned yet. I don't know whether the War Minister is still at the Prince's palace. Will you please find out for me?"

I phoned the Prince's palace and asked for the Intendant to Prince KAN-IN. I found that he had already gone home and was not at the palace. I phoned Intendant INAGAKI at his home, but it seems that he did not know anything about it so I told him about the situation and asked him to telephone the Palace and find out whether or not the War Minister was still there. Lt. General INAGAKI said that he would and hung up. A short while later, he phoned me and said that the War Minister was still there

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and in audience with the Prince. I immediately phoned the official residence of the Premier and told the Chief Cabinet Secretary about this. The War Minister returned about 1:30 and we found out that Prince KAN-IN had summoned the Head of the Military Affairs Section and the Vice-Chief of Staff and had asked them various questions, but that they were unable to give him a satisfactory answer, and that the Prince had asked the War Minister to come.

The General Staff Headquarters was very dissatisfied over the fact that their Material and Equipment Fund, which they had understood to be 500,000,000 yen for a period of five years, had been changed by the Finance Ministry to 375,000,000 yen for a period of eight years. As a result the impression is that the Operations Section became very angry and made a complaint to Prince KAN-IN. On the other hand, the circles of the Chief of the Mobilization Plans Bureau, egged on by the MAZAKI faction, seem to have started a movement to overthrow the Cabinet. Moreover, there are indications that before and after the Cabinet meeting, the Chief of the Mobilization Plans Bureau planted himself at the Premier's official residence and wheedled the younger members of the General Staff Headquarters.

The General Staff Headquarters, this time, asked for 400,000,000 yen for a period of five years. They agreed upon the same amount for a period of six years and ultimately decided that they could complete their job within five years. However, before they had finally reached a decision, the Vice-Chief of the General Staff came over about 2:30 and started an argument;

therefore, the War Minister went to the General Staff Headquarters from 2:30 until 5:00 o'clock and had a hectic discussion in a meeting of the Section Chiefs and senior officers.

Regarding this problem, the War Minister had said from the start: "The Army will be satisfied next year with an overall budget of 508,000,000 yen," and had not let his subordinates say even one word. The present War Minister has acted very determinedly, and I heard that when they started arguing during the meeting of the General Staff Headquarters, he cut them off, saying: "If there is any dissatisfaction over this, I would like to have those who are dissatisfied resign." I finally returned home about 5:30. The total amount of the budget was as before: 508,000,000 yen. However, the part calling for 375,000,000 yen for a period of eight years was increased to 400,000,000 yen for a period of six years, and actually it appeared that they would be able to finish their job in five years. I understood that the Cabinet finally adjourned about 7:30 and that the budget had been set up with everyone satisfied.

Receiving a telephone call from the Premier on the 30th, I immediately went over to his place. The Premier told me: "It was decided that we could not go into a deficit; therefore, a Special Account of five million yen and a Reserve Fund of five million yen was set up. This 10,000,000 yen was divided, with 8,000,000 yen going to the Army and 2,000,000 yen going to the Navy.

"When the Emperor attended the graduation exercises of the Army War College, the War Minister after dining

with His Majesty, assembled his leaders and told them: 'There is no alternative but for the Army to get along on 508,000,000 yen.' No one said anything, so he continued: 'We will get along on that,' and with that in mind, he later attended the meeting of the Cabinet. Negotiations were held between the War and Finance Ministries providing that: 'the amount of 375,000,000 yen for a period of eight years will be increased to 400,000,000 yen for a period of six years.' Then the Vice-Chief of the General Staff and the Chief of the Military Affairs Bureau left, saying: 'We are going to explain this to Prince KAN-IN.' Prince KAN-IN told them: 'There are some parts that I do not quite understand. Something must be done about the length of time.' After discussing this with the Vice-Chief, the 6-year period was agreed upon. Prince KAN-IN went back and again held a meeting of the General Staff Headquarters. This meeting lasted until 5:00 o'clock but nothing was decided. The members of the Cabinet had quit the meeting and were just sitting around waiting. Prince KAN-IN had told the War Minister: 'Make a periodic report to me,' however, such a thing could not be done. There were reports that this situation would be settled in the near future and I repeatedly told the War Minister: 'That the General Staff Headquarters is meddling with matters pertaining to military organization is very impertinent.' Furthermore, I told him: 'As for the General Staff Headquarters, if they can fulfill their needs on 400,000,000 yen for a period of six years then it is all right.' About 6:40 an agreement was finally reached. The War Minister went to report to

Prince KAN-IN. He returned and the Cabinet meeting was opened again. The following allotments were made: 8,000,000 yen to the Army, 2,000,000 yen to the Navy, 2,000,000 yen to the Central Treasury of the Commerce and Industry Ministry, 200,000 yen to the Ministry of Agriculture and Forestry to be used for forestry. The War Minister took this as an expression of personal feeling against him, and because of the fact that, due to what Finance Minister TAKAHASHI said in the Cabinet meeting, the different Ministers had different outlooks on the situation in foreign countries, he protested: 'I will not stand for this.' Moreover, the following amounts were taken from the various Ministries: 700,000 yen from Over seas Affairs, 300,000 yen from Kwantung Province, 1,000,000 yen from Communications, 1,600,000 yen from Railways, and 2,800,000 yen from Commerce and Industry. This total amount of 6,400,000 was then distributed as follows: 5,000,000 yen to the Army and Navy, 200,000 yen to Forestry, 150,000 yen to be used as interest on bonds amounting to 3,000,000 yen and 2,000,000 yen to Commerce and Industry. The Finance Ministry agreed to make up the shortage of 1,200,000 yen and it appeared that the problem was generally settled. At any rate, as the organ of the supreme command, the General Staff Headquarters has acted inexcusably." So saying, the Premier expressed deep resentment.

I also met the Chief of the East Asia Bureau on the 30th and asked him about the demands made by North China. He told me: "Self-government in the five Provinces is impossible. However, the SUNG Wen-lin faction and the militarists had a political discussion and

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decided to carry out something on the order of a partial self-government, and although this was circularized to the entire country, I believe that it will require a few days. It seems that the Nanking Government has sent General HO Ying-chin to take over in North China; however, the Japanese Government cautioned it: 'Do not send any new man to North China.' In regard to China as a whole, Ambassador ARIYOSHI and Consul-General SUMA are at present negotiating to improve Sino-Japanese relations. They are striving to improve the relations between the countries without throwing any dirt on the militarist's plans, without endangering the position of SUNG Wen-lien, and finally without humiliating the Nanking Government. Leith ROSS has gone north and I would like, if possible, to carry out the reform of the currency system for the benefit of the entire nation of China. It has been said that self-government is a thing that the common people do not desire; nevertheless, the most important aspect of this problem to Great Britain, the United States or any other foreign country, is the question whether or not troops will be sent out. Regarding this point, if China should dispatch her troops, that is, if she should send her troops to North China, and if public peace is disrupted because of this, then disorder in North China, which borders on Manchukuo, would result, and we would have an excuse for sending our troops to Manchukuo.. Otherwise, I believe that it would be unwise for Japan to dispatch her troops."

The Chief of the East Asia Bureau continued: "The Foreign Ministry is saying: 'To send our troops out

recklessly would result in a very serious problem.'
The Headquarters of the General Staff has also presented the same arguments. C.T. WANG has come to Japan after obtaining the personal opinions of Finance Minister KUNG and T.V. SOONG. The reason for his visit is, in general, to talk to the Vice-President and the Senators of the United States aboard the President Jackson, on which they are returning, and to get the support of the United States. However, some people are saying: 'This visit is a move toward making him the Foreign Minister. The object of his visit, before he becomes Foreign Minister, is to obtain the true motives behind Japan's policy regarding China.'"

I went to see the Premier about 4:00 o'clock in the evening. He had just returned from an audience with the Emperor and he told me: "I told the Emperor about the budget being set up. The Emperor said: 'I am glad that the budget has been set up.' He seemed especially worried over the situation in North China. In regard to that, the subordinates pay no heed to what their superiors say, regardless of what it is, and I told the War Minister: 'Redouble your efforts in matters pertaining to military organization and national policy,' repeating what I had said to him once before."

Two days later, I went to Okitsu and reported to SAIONJI the details of the setting up of the budget. SAIONJI said: "Although there was much confusion, I am glad that the budget has finally been set up."

I met the Foreign Minister on the 2nd. He told me: "There is no need to worry too much about the situation in North China. General MINAMI has told me: 'The dispatch

of troops south of Shanhaikuan naturally will depend upon an Imperial command. Troops will definitely not be sent south of Shanhaikuan as long as there is no Imperial command to do so.' If this secret information were to leak out to China, they would take us for fools and start causing trouble. On the other hand if the Army and Navy of Japan were to find out that the secret actually did leak out to China, they would come out strongly. I believe that this calls for extreme precautionary measures. However, the leaders of Japan actually seem to have the situation well in hand and I believe that everything will be all right. In the event that something should happen, I believe that if the Foreign Ministry and the Navy Ministry united and met the situation they would be able to deal with it. Therefore, even though the Japanese people are uneasy about whether or not something will occur, it seems that the Chinese people are even more worried about the situation. Taking into consideration the current situation, that uneasiness seems to be justified; however, I believe that if nothing occurs within the next ten days, then everything will be all right. The General Staff Headquarters has given strict orders that: 'In the event that troops must be moved, there is no alternative but to wait for an Imperial command.'" In regard to the situation as a whole, the Foreign Minister said: "I think that everything will be all right."

I met the President of the Manchurian Railways, MATSUOKA, on the 3rd. He told me: "A strict retrenchment policy has been carried out, and the 230,000,000 yen project expense has been reduced 100,000,000 yen."

and was highly exultant. In regard to the North China problem, he said: "We must have stronger action from the Kwantung Army in China. It must advance at least to the vicinity of Peiping and Tientsin, otherwise, if it stops half-way there, it will be laughed at by the Chinese; will not a complete reversal in their respective positions then arise? At any rate I am more or less relieved because of the fact that their Commander-in-Chief, MINAMI, understands this situation quite well." What disturbed me was the fact that he denounced the actions of the Foreign Ministry and the Central Government, and while listening to him a strong suspicious feeling came over me; nevertheless, I thought to myself that these words were revealing the true character of MATSUOKA and quietly listened to him.

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Chapter 190
(13 December 1935)

Changes at Court

Translated by Lieut. Khe-Beng Chiong

When I visited the Vice-Minister of Foreign Affairs at the Foreign Office on the 6th, he stated: "After the recent serious failure of the Japanese Garrison in North China, I wish that the Army could be withdrawn in a way that would save its existing prestige. However, we will be subjected to some criticism from America and Britain. In viewing our internal policy, a rather strong foreign policy should be maintained, while gradually neutralizing the crisis so as not to make the Japanese Garrison in North China feel desperate on account of their recent failure on the one hand, and so as to maintain the favorable relationship with North China, which is to be given a proper self-government, on the other. Thus we hope that the present crisis in North China may be resolved. As a matter of fact, persons like General ARAKI and General MAZAKI in the War Ministry are taking a sarcastic attitude toward our policy in North China. The Commander-in-Chief of the Southern Kwantung Army declared: "After all, it was General MINAMI's failure. He had established unnecessary strong points in North China and had completely ignored relations with Russia. It is regrettable that we have left ourselves open to discrimination from Russia. It is really a nuisance to make all sorts of remarks about our foreign policy while the current attitude of our Army continues." The Vice-Minister continued: "As far as our foreign policy goes, we wish to be fair and undiscriminating toward

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both China and Russia. As to our continental policy, it is a fundamental principle to protect China against Russia."

On the 7th, I went to Okitsu to make the summary report to the Prince. Previously, on the 4th, KIDO came to visit the Prince at Okitsu and secretly stated that the Lord Keeper of the Privy Seal had told him personally and that the President of the Privy Council had told him through the Lord Keeper of the Privy Seal of their desires to resign on account of poor health. These requests seem one-sided, and the Prince also took them as such, and merely replied: "I will take this under consideration." I heard all this from KIDO personally, after his visit with the Prince. In the present emergency, I rather expected the Prince to take this attitude toward a problem of that nature. I made no further comment to KIDO.

At his request, I visited the Prime Minister on the 5th. He stated: "The Minister of the Imperial Household told me that both the Lord Keeper of the Privy Seal and the President of the Privy Council wish to submit their resignations. It is rather inconvenient to take any action immediately. I wish that they would wait until the present emergency is over." In regard to successors, the Prime Minister said: "There are many things to be considered, the position of the Lord Keeper of the Privy Seal may go to KONOYE, while the presidency of the Privy Council should go to KIYOURA. I would like to keep SAITO in reserve." The Prime Minister continued: "Customarily the presidency of the Privy Council goes to an older person; therefore, MIURA should be the person

for the post. As far as the position of the Lord Keeper of the Privy Seal is concerned, Viscount SAITO has been favorably considered by the public, but personally I would prefer that Prince KONOYE be the successor. The public seems to think that Prince KONOYE has some connection with the rightists, though I refuse to believe it. I am sure that Prince SAIONJI has some ideas on the subject. We should by all means respect and obey the Prince's opinion, considering his long experience and superior knowledge. The persons mentioned above are merely suggestions and I hope you will keep that in mind when you discuss this matter with Prince SAIONJI. As far filling the vacancy in the presidency of the House of Peers (the position was occupied by Prince KONOYE at the time), this can be done either before or after the session."

I transmitted this conversation to Prince SAIONJI, who replied as follows: "I do not agree with KIDO, who stated that this is a good time to act on these resignations. All I can say about MAKINO's complaint is that 'constant aid and assistance to His Majesty' (function of the Lord Keeper of the Privy Seal) is a mental responsibility and that it does not involve physical strain. In fact, one may stay in bed and do as he pleases. Furthermore, the resignation will appear as if it were the result of the attack upon MINOBE. I will leave this matter as it is and will discuss it further if it comes up again. I told KIDO to give me time to think this problem over, and I wish you to convey my opinion clearly to the Prime Minister. It may be wise to replace these two men at this time. However, I will leave

that to the Prime Minister. Please tell the Prime Minister that I will unqualifiedly support his decision. However, he should let me know his decision in advance."

I went to see the Prime Minister to deliver the Prince's message on the morning of the 8th. The Prime Minister stated: "I will discuss the problem further with the Minister of the Imperial Household and give you some sort of reply." Then I returned to Oiso on Sunday.

After the discussion between the Premier and the Minister of the Imperial Household at the Palace, I went to see the Premier at his official residence. The Premier stated: "After we had discussed this problem further, it seems difficult to set it aside without taking any action. As the matter stands at present, the position of Lord Keeper of the Privy Seal will go to SAITO and the presidency of the Privy Council will go to KIYOURA. Once KIYOURA remarked to someone that 'The presidency of the Privy Council should go to HIRANUMA this time, since he had been passed over for the same position twice in the past.' Probably, KIYOURA will not take the post in spite of our recommendation. The present President of the Privy Council, ICHIKI stated: 'Either KIYOURA or KONOYE should be able to handle the position.' If we look far ahead toward the future, there may be a better plan. Under the circumstances, the plan I mentioned above probably is the best. Prince KONOYE is still rather young. Instead of taking the position of Lord Keeper of the Privy Seal, probably he should first gain some experience by taking some other responsible position such as Minister of the Imperial Household. There are some people who are anxious to get

either SAITO or KONOYE as the president of the Seiyu-kai. It will certainly place me in an awkward position if I should be asked: 'How about promoting HIRANUMA?' by Count KIYOURA when I go to see him. Still, I would like to think this over and discuss this matter with you in the future. Please give me time, until I go to Okitsu about the 14th."

I met INUKAI after a long interim on the 11th. INUKAI declared: "There is not a chance for KUHARA to be the next president of the Seiyu-kai; even the present President of the Committee, OKAZAKI, probably will have a tough time. OTANI, Sonyu however, is anxious to bring KONOYE forward as the next president of the Seiyu-kai."

The Minister of Home Affairs came over to my home about 4:00 p.m. He stated: "Unfortunately, the problem of the presidency of the Privy Council may come to the fore again. It will be in torrible shape, if vacancies actually occur."

I was impressed by the fact that the Cabinet members had not been informed thoroughly on the latest developments. Therefore, I merely suggested to the Minister of Home Affairs: "Really, I am thoroughly familiar with this problem. I suggest that you go to the Minister of the Imperial Household for further information. I am planning to have a long discussion with him, too, on the 13th and will let you know, when I have any further information." The Minister of Home Affairs also told me that there was some difficulty in providing funds(for the next election) at the time of dissolution.

When I met KONOYE on the same evening, he stated: "The information that I would like to give Prince

SAIONJI pertaining to a coalition between the Seiyu-kai and the Minsei-to are as follows: The Minsei-to will agree to a coalition without the SUZUKI-KUHARA faction of the Seiyu-kai. Another point is that NAKASHIMA, MAYEDA, and YAMAZAKI, of the Seiyu-kai came over to urge me to accept the presidency of the Seiyu-kai. I also heard that TAMACHI (minsei-to) went to the Seiyu-kai to negotiate the coalition. It appeared to me that the entire negotiation was aimed at avoiding a dissolution. Personally, I have not thought of accepting such an offer. At the end of their visit, I merely agreed to take it under consideration."

When I met the Foreign Minister on the 12th, he stated: "It is quite hopeful that our foreign situation may be settled, since our relations with China have been improved to a great extent. Still the Army thinks that it is necessary to keep strong pressure upon China. Superficially, at least, both Central Headquarters and Field Headquarters have taken such a policy, that actually they cannot afford to act too violently. Still, the Nanking Government tends to look down upon us. Therefore, this is the time we should be very careful. In addition to the above, the Army intercepted a cable sent by the Chinese Charge d'Affaires to Japan, Mr. TING, who has been maneuvering here in Tokyo and interviewing various people. The cable stated, in addition to TING's personal opinion, that: 'It is the common desire of SAITO, KONOYE, and HIRANUMA to bring the Army under control.' I wish Prince KONOYE to be more careful from now on, since the Army was quite upset over this matter." The Foreign Minister added: "It is rather a nuisance to

have our foreign policy criticized, since we know that the Army is merely bluffing and has no intention of acting violently."

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Chapter 191
(25 December 1935)

Military Peers

Translated by Lieut. Khe-Beng Chiong

On the 13th, I was called to see the Premier who stated: "It seems agreeable to work on the vacancy in the presidency of the Privy Council after the dissolution. The case of the Lord Keeper of the Privy Seal, however, should be settled immediately. When I was received in audience by His Majesty on November 30th, His Majesty inquired: 'What action will be taken regarding the resignation of ICHIKI due to poor health?' Since the Minister of the Imperial Household has much to say regarding the selection of the Lord Keeper of the Privy Seal, His Majesty did not make any further inquiry. Immediately, I responded: 'This is a very serious matter. The difficulty is comparable to that of filling the vacancy in the presidency of the Privy Council when KURATOMI resigned from his post. I shall report to Your Majesty only after careful consideration.' I also reported to His Majesty that due to the significance of ICHIKI's case, I would consult with Prince SAIONJI. I further reported to His Majesty: 'I am sure that Your Majesty has been well informed by Your Majesty's physicians and others regarding the physical condition of ICHIKI. Such indications as emphysema of the lungs, intestinal ulcer, and bloody excrements (were observed last month, not at present). Furthermore, I heard that he has slight symptoms of gastroptosis, which had created a certain amount of pressure in his stomach whenever he takes food. Generally speaking, his present physical condition is not

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critical. However, he might not consider remaining at his present post under the circumstances even if we urge him to remain. Up to this moment, nothing has been mentioned regarding this case either as to Your Majesty's attitude or that of the Genro. If we urge him too strongly to remain at his post, there is a great danger that he might submit his resignation directly to Your Majesty. ICHIKI stated regarding his successor that: 'Either KONOYE or KIDO should be able to handle my present post.'"

The Prime Minister continued: "Regarding the incident of the assassination of a sailor in Shanghai, the general belief is that the assassination was carried out by a Korean who was sent by Colonel Oseko of the Japanese Army. This assumption was derived from the fact that the Korean, who was arrested by the Shanghai Police, possessed several Mausers and other pistols; he was assigned to assassinate certain prominent Chinese as well as the Japanese Ambassador to China, ARIYOSHI, according to the secret cable transmitted from the consulate to the Ministry of Foreign Affairs. The prisoner was delivered to the Army upon request. It is generally believed that: 'In viewing all indications and facts, we will realize how cleverly the whole plot was made to appear as the assassination of a sailor; this seems reasonable to justify our assumption that the Army may be the main figure of the whole plot.' For this reason, I am quite concerned over this incident." The Prime Minister continued, shifting his conversation to different topics. He stated: "The difficulty in selecting the next president of the Seiyukai still exists.

Some people are still going to both KONOYE and SAITO trying to persuade them to be the next president of the Party. Baron SAITO refused the offer, saying: 'It is logical but....' to those who came to urge him."

Immediately after I returned from the residence of the Prime Minister, the Director of the Police Bureau came over. Our conversation was focussed to the problem of the wholesale arrest of members of Omoto-kyo. In that connection he stated: "In the final analysis they can be charged with both violation of the public peace regulations and lese majeste. On the other hand, it is believed that Showashinsei-kai has been connected with Nippon Seisanto, having DEGUCHI, Kunisaburo as their President and UCHIDA, Ryohei as their Vice-President. All this information came from the many letters we have confiscated. All politicians, as a rule, tend to correspond with the place where interesting things are going on."

When I met Prince KONOYE on the 13th, he stated: "Please inform Prince SAIONJI only that KAWASAKI, Takukichi of the Minseito, MAYEDA, Yonezo of the Seiyukai, and NAKAJIMA, Chikuhei, came over and urged me to be the President of the United Party. Before I give them a reply, I would like to hear Prince SAIONJI's opinion regarding this matter."

On the 14th, I made a detailed report to Prince SAIONJI regarding KONOYE's problem. Regarding this question, Prince SAIONJI stated: "It might be all right, but proper timing is essential. Tell KIDO about this and ask his opinion on this question." Regarding the resignation of the Lord Keeper of the Privy Seal and

the President of the Privy Council, Prince SAIONJI continued: "If the resignations should take place and if KIYOURA is to be selected as the next president of the Privy Council, it might be better to break the news to KIYOURA by saying: 'The decision has been made at His Majesty's suggestion.'"

When I met the Prime Minister on the 15th, he warned: "Although I told the newspapermen that there was nothing particular on General KAWAI's unexpected visit yesterday, actually he came regarding the question of receiving a peerage. Previously, the Minister of War had told me: 'See to it that not only General HONJO but also General ARAKI receives the Imperial Order for a peerage.' However, I told him clearly: 'As an adviser to His Majesty, my responsibility is primarily to see that honors and rewards are not awarded lavishly. Although I realize that many honors and rewards had fallen to evil persons, that policy will no longer be tolerated. The Manchukuo conflict was merely an incident. The peerage should be limited to General HONJO only, since he was supreme commander during the incident. As for General ARAKI and others, I am sure that the Grand Cordon of the Imperial Order should be sufficient. If General ARAKI should be given a peerage, the Minister of the Navy, Admiral OSUMI, should be given the same honor.' This strong refusal of the War Minister's request had brought General KAWAI over. General KAWAI quoted the exact statements of General KAWASHIMA to the Prime Minister and stated as follows: 'General ARAKI was the person chiefly responsible for victory in the Manchukuo Incident. The young officers will not be satisfied if

a peerage does not go to General ARAKI. It is true, however, that your responsibility as an adviser to His Majesty is to prevent honors and rewards from falling lavishly and improperly, but actually, I do not think that this is an improper case. For the reasons I mentioned above, please make your utmost effort so that General ARAKI can be given a peerage.' When General KAWAI finished quoting General KAWASHIMA's statements to the Prime Minister, the Prime Minister angrily declared: 'The most unreasonable story I have ever heard.'"

On the 18th Vice-Minister SHIGEMITSU came over. He stated: "The Political Council of North China has been set up and SUNG Cho-yuan was appointed as the Chairman of the Council by the Nanking Government. As a result, all matters under discussion in the Council must go to the Nanking Government for final approval. The Army seems dissatisfied over the fact that such a close relationship is being maintained between the Nanking Government and North China. The North China question was further explained to the British Ambassador to Japan, Mr. CRAIGIE, who had just returned from China; and later to the United States Ambassador to Japan, Mr. GREW, who had returned recently from the United States. Mr. GREW did not ask any questions, but both seemed to understand the situation.

"At Disarmament Conference, the Japanese delegate, Admiral NAGANO had said: 'Viewing our respective necessities, the highest possible correlation should be sought between Japan and Britain. Then the actual armament should be decided accordingly. Under the

circumstances, it is possible for Britain to maintain a slightly superior naval armament." All that Admiral NAGANO meant to say, was that we will take vulnerability into consideration. The British delegation took this statement as a thoughtful one and immediately asked: 'Then will you recognize some sort of ratio?' In order to avoid any further encouragement, our Ambassador Plenipotentiary, Admiral NAGAI replied rather vaguely in the negative. The British Delegation came back and declared: 'We cannot understand your real intention.' As a result, proposals for quantitative limitation in fleet-building programs have been submitted to the First Committee of the Disarmament Conference. On account of Admiral NAGANO's action in the Conference, some resentment has been expressed, and his popularity has declined accordingly among the Naval General Staff here in Tokyo. I think that Admiral NAGANO got an impression that the success or failure of the Naval Conference rested on the action of Japan. With that in mind Admiral NAGANO attempted to shift the responsibility to the United States. At any rate, the Minister of the Navy was quite upset and did not think much of Admiral NAGANO."

When I met the Prime Minister on the morning of the 17th, he stated: "KUHARA and an element of the Army are planning to submit a non-confidence resolution based on objections to kikan-setsu (the theory of the Emperor as a government organ) to overthrow the present Cabinet without dissolution. The Minister of War stated: 'I will not counter-sign the Imperial rescript of dissolution if the attack on kikan-setsu should be used as the main basis of attack upon the present Cabinet.' The

above statement was made secretly by the Minister of War to the Minister of Overseas Affairs, KODAMA when each Cabinet member was asked about the matter of dissolution during the last session."

"The Minister of War also repeatedly urged: 'Please make the resignation of KANAMORI effective prior to the closing of the session, otherwise I will have a hard time.'" The Prime Minister further stated: "If the link between KUHARA and an element of the Army is to be forged, it will become even more difficult for the Lord Keeper of the Privy Seal and the President of the Privy Council to resign at this time. According to information given by the Lord Keeper of the Privy Seal, the President of the Privy Council, ICHIKI might consider remaining, but I also heard that it would be terribly difficult in the case of the Lord Keeper of the Privy Seal. I wish that something could be worked out so that the Lord Keeper of the Privy Seal could remain." The Prime Minister finally asked: "Would you mention all these matters to Prince SAIONJI?"

Since I had a cold and could not return to Okitsu, I sent a letter which explained everything to Prince SAIONJI. I made a further report by telephone to General ABE: "The Minister of War has been taken in completely by KUHARA and other elements. The Minister of War, KAWASHIMA, declared: 'Refuse to counter-sign the Imperial rescript', if the non-confidence resolution is to be based on the objection to kikan-setsu. It is rather unpleasant to find that the Minister of War was taken in by KUHARA's plot to overthrow the Cabinet without dissolution." General ABE hung up after saying: "I will see

you later", as if he fully understood my point.

I called on INUKAI, Ken of the Seiyukai to ask his opinion regarding the non-confidence resolution. It seems that no one in the Seiyukai is supporting KUHARA. INUKAI informed me secretly: "We are taking special precautions not to get mixed up in the objection to kikan-setsu. If the problem does result in a non-confidence resolution, the attack on kikan-setsu will not be emphasized in the non-confidence resolution." I conveyed this information to the Prime Minister and told him not to worry too much.

The problem of peerages came up again. This time it was the Minister of War who came to see the Prime Minister. The Minister of War stated: "Not only HONJO, but also MINAMI, HAYASHI, and HISHIKARI wish to be listed to receiving a peerage." The Minister of the Navy came to the Prime Minister's place and repeatedly said: "I will not accept a peerage unless the title of Baron is conferred upon Admiral NOMURA." The Prime Minister was greatly irritated by these requests. As a means of refusal, he replied: "I suggest that the Army and Navy get together and work this out among yourselves." The Army finally has come to realize "the existence of conveniences in both the Foreign Ministry and the Cabinet" as once stated by the Prime Minister. After the negotiation with the Navy, the Army again realized that there was something the Navy wanted to be taken into consideration. In the final analysis, the Army agreed on ARAKI and HONJO only while the Navy agreed on OSUMI. Thus the problem was settled by a decision that these three generals and one admiral were to receive peerages.

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When I met the Prime Minister on the 21st, he stated: "The Minister of the Imperial Household visited the Lord Keeper of the Privy Seal on his sick-bed to say: 'Under the circumstances, I wish you would withdraw the resignation.' After the Lord Keeper of the Privy Seal had listened quietly for two hours, he merely replied: 'I will think this over', but soon after the Minister of the Imperial Household returned, the Lord Keeper of the Privy Seal called the Chief Secretary KIDO, on the phone and told him (KIDO) decisively: 'Please submit my resignation; regardless of the circumstances, I wish to resign.' Since the entire matter is left to the Minister of the Imperial Household, there is little that the Government can say regarding the resignation of the Lord Keeper of the Privy Seal. I wish that we could do something regarding the resignation of the President of the Privy Council, ICHIKI. Upon this case, the Minister of the Imperial Household stated: 'We might be able to persuade the Chairman of the Privy Council, ICHIKI, to remain. SAITO probably is the only person who can be considered as the future Lord Keeper of the Privy Seal. I called Prince SAIONJI and informed him as follows: "The situation has been changed somewhat since I wrote you two or three days ago. The Lord Keeper of the Privy Seal felt that he must resign and that made it difficult to urge him to remain."

On the morning of the 22nd, I was asked to see the Minister of the Imperial Household. As he handed me a letter to be delivered to Prince SAIONJI, he stated: "This letter concerns the peerages to be granted to two generals and an admiral. This matter already appeared

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in the newspapers; however, it is still necessary to ask Prince SAIONJI's opinion before the matter can be submitted for the Imperial Sanction. Would you ask the Prince's opinion without further delay? Just let me know by telephone whether or not Prince SAIONJI will approve. I sent someone to the President of the Privy Council, complying with the Prime Minister's wish: 'I still think that SAITO should be the next Lord Keeper of the Privy Seal. In the meantime, we will have someone urge the President of the Privy Council to remain." From what I know about the President of the Privy Council, ICHIKI, I have an impression that he might consider remaining. His Majesty ordered: 'Try your best to persuade the President of the Privy Council, ICHIKI, to stay at his post.' I (Minister of Imperial Household) will also convey the Prime Minister's desire and will try my best to persuade the Chairman of the Privy Council, ICHIKI to remain on his post.'"

On the 22nd I went to Okitsu with Ambassador MATSUDAIRA. While MATSUDAIRA was waiting, I delivered the letter from the Minister of the Imperial Household to the Prince and asked his opinion regarding the peerages. The Prince replied: "You give me no alternative but to say 'Approved' on this matter." I left for my lodging, leaving other matters to be discussed with the Prince at his leisure in the morning. Next morning, I went to Okitsu again. The subject: 'Prince KONOYE and the presidency of the United Political Party' had been discussed by the Prince (KONOYE) and ICHIKI, and myself.

It had been decided that KONOYE should voluntarily decline the offer. I transmitted this decision to Prince

KONOYE. When I reported to Prince SAIONJI that Prince KONOYE had declined the offer, the Prince stated: "Regarding KONOYE's case, he needs both 'front' and 'support' for his political carrer. (Since Prince KONOYE does not have both 'front' and 'support') before we decide to have KONOYE assume the position of Lord Keeper of the Privy Seal, it is necessary for KONOYE first to assume the position of Prime Minister."

Prince SAIONJI continued: "At the time when Mr. MUTSU Munemitsu was asked to be president of the Seiyukai, he came over to discuss this matter with me. During the discussion MUTSU stated: 'The Seiyukai persistently urged me to be the president. As a president of any political party, whenever something goes wrong with his policy, I believe that there will be no one to back him up. It is all right to join the Seiyukai, but I want to know just how many people will follow me when I leave the Party.' I (SAIONJI) believed that there would be no one who would follow him when MUTSU left the Party. This just shows that matters work differently according to time and circumstances."

In regard to the letter of the Minister of the Imperial Household, Prince SAIONJI stated: "The reply should be written, but my hand is shaking and I can hardly write. Will you convey my reply and also thank him for such a courteous letter?" Prince SAIONJI continued: "In regard to the case of the Lord Keeper of the Privy Seal, theoretically it is under the jurisdiction of the Minister of the Imperial Household. In actual practice, however, the Lord Keeper of the Privy Seal and the Prime Minister can not be considered separately. For this reason, the Prime

Minister should have the first word to say regarding the position of the Lord Keeper of the Privy Seal. Will you then, ask the Prime Minister to consider the matter a little more, and if the Prime Minister still considers SAITO to be his preference, to let me know by phone."

The Minister of Foreign Affairs stated: "The German Ambassador to Japan secretly informed me that the British Ambassador to Germany had proposed an air-force agreement with HITLER. To the proposal Germany had agreed, judging that the agreement would be advantageous in opposing France and Russia."

I returned to Tokyo, and by phone I inquired of the Prime Minister whether a final decision has been made on the successor of the Lord Keeper of the Privy Seal. Since the Prime Minister stated: "There is no other person but Viscount SAITO", I immediately conveyed this message to Prince SAIONJI at Okitsu. I visited the Prime Minister and the Minister of the Imperial Household on the morning of the 24th to give them the general opinion of Prince SAIONJI. They told me that they would visit Viscount SAITO on the 25th of this month, and that efforts would be made to get SAITO to accept the position of Lord Keeper of the Privy Seal.